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Laura Bateman  
Carolinas Rates & Regulatory Strategy  
410 S. Wilmington Street  
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919.546.3324  
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November 25, 2014

Jocelyn Boyd  
Chief Clerk and Administrator  
Public Service Commission of South Carolina  
Post Office Drawer 11649  
101 Executive Center Drive, Suite 100  
Columbia, SC 29211

Dear Mrs. Boyd:

Enclosed per Docket No. 1988-11-E is the quarterly report of Duke Energy Progress, LLC for the twelve months ending September 30, 2014. Debt coverage ratio of earnings to Fixed Charges was 3.72 for this time period.

Please feel free to contact me at 919.546.3324 if you have any questions.

Sincerely,

Laura Bateman  
Carolinas Rates & Regulatory Strategy  
Duke Energy

Enclosures

pc: Mr. John Flitter, Director  
Electric & Gas Regulation  
Office of Regulatory Staff

CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, Clark S. Gillespy, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Progress, Inc., as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

Clark S. Gillespy  
Signature of President

Clark S. Gillespy  
Typed or Printed Name of Person Signing

State President, Duke Energy South Carolina  
Title

November 18, 2014  
Date Signed

Subscribed and sworn to before me this 18 day of November, 2014.

Beth C. O'Shields  
Notary Public

My Commission Expires: 4-16-2024

CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, James D. Wiles, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Progress, Inc., as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

James D. Wiles  
Signature of Person Making Verification

James D. Wiles  
Typed or Printed Name of Person Signing

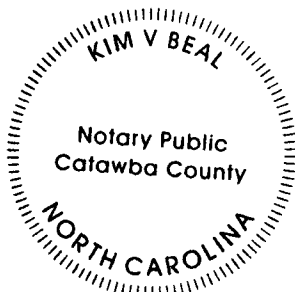
Director Regulated Accounting  
Title

November 18, 2014  
Date Signed

Subscribed and sworn to before me this 18 day of November, 2014.

Kim V. Beal  
Notary Public

My Commission Expires: October 24, 2019



Duke Energy Progress  
Electric Operating Experience - Total Company & SC Retail  
Twelve Months Ended September 30, 2014

Line No.	Description	Total Company			SC Retail		
		Regulatory Per Books	Pro-Forma Adjustments	As Adjusted	Regulatory Per Books	Pro-Forma Adjustments	As Adjusted
(Col. 1)		(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)
		\$	\$	\$	\$	\$	\$
1	<u>Operating Revenues</u>	5,182,178,962	(109,032,376)	5,073,146,586	572,596,683	(19,225,457)	553,371,227
2	<u>Operating Expenses</u>						
3	O&M Expenses - Fuel	1,538,060,239	-	1,538,060,239	176,409,636	-	176,409,636
4	O&M Expenses - Other	1,904,265,513	(65,558,411)	1,838,707,102	214,745,257	(9,264,226)	205,481,031
5	Depreciation & Amortization Expenses	560,111,194	70,909,560	631,020,754	57,245,442	7,313,922	64,559,364
6	Taxes Other Than Income	199,260,282	824,309	200,084,591	15,846,692	(151,516)	15,695,176
7	Income Tax - State	14,407,790	(11,090,537)	3,317,253	1,573,507	(1,212,530)	360,977
8	Income Tax - Federal	42,714,910	(32,260,745)	10,454,165	4,664,991	(4,802,811)	(137,820)
9	Deferred Taxes	232,646,799	13,033,415	245,680,214	25,407,877	1,455,547	26,863,424
10	Investment Tax Credit	(6,748,732)	-	(6,748,732)	(754,717)	-	(754,717)
11	Total Operating Expenses	4,484,717,994	(24,142,409)	4,460,575,585	495,138,685	(6,661,614)	488,477,071
12	Operating Return	697,460,968	(84,889,967)	612,571,001	77,457,998	(12,563,843)	64,894,155
13	Customer Growth	4,212,662	(512,735)	3,699,927	79,236	(12,862)	66,384
14	Interest on Customer Deposits (After Taxes)	(8,417,416)	-	(8,417,416)	(629,098)	-	(629,098)
15	Total Income for Return	693,256,213	(85,402,702)	607,853,512	76,908,137	(12,576,695)	64,331,442
16	<u>Rate Base</u>						
17	Plant in Service	20,296,513,028	123,129,991	20,419,643,019	2,300,998,598	8,165,694	2,309,164,292
18	Reserve for Depreciation	(9,427,494,925)	(9,647,408)	(9,437,142,333)	(1,097,228,376)	(71,077)	(1,097,299,453)
19	Net Plant	10,869,018,103	113,482,583	10,982,500,686	1,203,770,222	8,094,617	1,211,864,839
20	Construction Work in Progress	-	721,284,000	721,284,000	90,512,503	83,017,617	83,017,617
21	Other Rate Base	418,138,477	(309,770,748)	108,367,729	(40,349,904)	(40,349,904)	50,162,599
22	Total Working Capital	321,549,159	-	321,549,159	35,103,397	-	35,103,397
23	Materials & Supplies	1,428,185,588	(34,448,034)	1,393,737,554	157,179,184	(3,834,547)	153,344,636
24	Accumulated Deferred Income Taxes	(2,615,541,232)	251,778,982	(2,363,762,250)	(320,359,367)	31,836,525	(288,522,842)
25	Total Rate Base	10,421,350,095	742,326,783	11,163,676,878	1,166,205,939	78,764,308	1,244,970,247
26	Rate of Return	6.65%		5.44%	6.59%		5.17%
27	Return on Equity	9.02%		6.74%	8.91%		6.20%

Duke Energy Progress  
Electric Accounting & Pro Forma Adjustments  
**Total Company**  
Twelve Months Ended September 30, 2014

Adj. #	Description	Revenues	O&M Expenses	Deprec. & Amort. Expense	Taxes Other Than Income	State Income Tax @ 6.47%	Federal Income Tax @ 35%	Provision for Deferred Taxes	Plant In Service	Accum. Deprec.	CWIP	ADII	Other Rate Base	Working Cash	Materials & Supplies
1	Normalize O&M labor costs		(4,731,303)			306,115	1,548,816								
2	Update for increased/decreased benefits costs		4,541,892			(293,860)	(1,486,811)								
3	Annualize depreciation on year end plant balances			38,165,270		(2,469,293)	(12,493,592)			(38,165,270)					
4	Adjust the amount of EPIS in rate base			8,464,290		(547,640)	(2,770,828)			(8,464,290)					
5	Adjust the amount of CWIP in rate base								336,850,772		721,284,000				
6	Annualize property taxes on year end plant balances				1,785,309	(115,509)	(584,430)								
7	Eliminate Prior Period Taxes					(3,374,777)	6,397,874	13,033,415					136,398,546		
8	Eliminate SFAS 109														
9	Adjust Fuel Stock												(136,398,546)		
10	Eliminate DSM, EE, DSDR impacts														
11	Adjust income taxes to synchronize interest expense for the adjusted test period rate base	(97,003,000)	(65,369,000)	24,280,000	(961,000)	(3,604,000)	(17,972,000)		(213,720,781)	36,982,152		115,380,436	(173,372,202)		(34,448,034)
12	Eliminate Program Performance Incentives	(12,029,376)				(191,612)	(969,479)								
						(799,960)	(3,930,295)								
13	<b>TOTAL - ALL PRO FORMAS</b>	<b>(109,032,376)</b>	<b>(65,558,411)</b>	<b>70,909,560</b>	<b>824,308</b>	<b>(11,090,337)</b>	<b>(32,260,745)</b>	<b>13,033,415</b>	<b>123,129,991</b>	<b>(9,647,408)</b>	<b>721,284,000</b>	<b>281,778,982</b>	<b>(306,776,748)</b>	<b>0</b>	<b>(34,448,034)</b>

Duke Energy Progress  
Electric Accounting & Pro Forma Adjustments  
SC Retail  
Twelve Months Ended September 30, 2014

<u>Adj. #</u>	<u>Description</u>	<u>Revenues</u>	<u>O&amp;M Expenses</u>	<u>Deprec. &amp; Amort. Expense</u>	<u>Taxes Other Than Income</u>	<u>State Income Tax @ 5%</u>	<u>Federal Income Tax @ 35%</u>	<u>Provision for Deferred Taxes</u>	<u>Plant In Service</u>	<u>Accum. Deprec.</u>	<u>CWIP</u>	<u>ADIT</u>	<u>Other Rate Base</u>	<u>Working Cash</u>	<u>Materials &amp; Supplies</u>
1	Normalize O&M labor costs		(532,791)			26,640	177,153								
2	Update for increased/decreased benefits costs		516,565			(25,828)	(171,758)								
3	Annualize depreciation on year end plant balances			4,392,708		(219,635)	(1,460,575)			(4,392,708)					
4	Adjust the amount of EPIs in rate base			974,214		(48,711)	(323,926)		38,770,510	(974,214)					
5	Adjust the amount of CWIP in rate base										83,017,617				
6	Annualize property taxes on year end plant balances				205,484	(10,274)	(68,323)								
7	Eliminate Prior Period Taxes					(377,656)	736,376	1,455,547							
8	Eliminate SFAS 109											15,380,894	(15,699,062)		
9	Adjust Fuel Stock														
10	Eliminate DSM, EE, DSDR impacts	(17,643,000)	(9,248,000)	1,947,000	(357,000)	(500,000)	(3,320,000)		(30,604,816)	5,295,844		16,455,631	(24,650,642)		(3,834,547)
11	Adjust income taxes to synchronize interest expense for the adjusted test period rate base														
12	Eliminate Program Performance Incentives	(1,582,457)				22,058	154,409								
						(79,123)	(526,167)								
13	<b>TOTAL - ALL PRO FORMAS</b>	<b>(19,225,457)</b>	<b>(9,264,226)</b>	<b>7,313,922</b>	<b>(151,516)</b>	<b>(1,212,530)</b>	<b>(4,802,811)</b>	<b>1,455,547</b>	<b>8,165,694</b>	<b>(71,077)</b>	<b>83,017,617</b>	<b>31,836,525</b>	<b>(40,349,506)</b>	<b>0</b>	<b>(3,834,547)</b>

Duke Energy Progress  
Statement of Fixed Assets - Electric  
Twelve Months Ended September 30, 2014

Line No.	Description	Total Company			SC Retail		
		Per Books (Col. 2) \$	Adjustments (Col. 3) \$	As Adjusted (Col. 4) \$	Per Books (Col. 5) \$	Adjustments (Col. 6) \$	As Adjusted (Col. 7) \$
<b><u>Gross Plant in Service</u></b>							
1	Intangible Plant	324,022,731		324,022,731	36,733,628		36,733,628
2	Production	11,837,138,341	304,697,196	12,141,835,537	1,341,946,084	35,069,730	1,377,015,814
3	Transmission	2,209,117,998	27,538,492	2,236,656,490	250,442,055	3,169,598	253,611,652
4	Distribution	5,288,057,550	(213,720,781)	5,074,336,769	599,493,553	(30,604,815)	568,888,738
5	General	618,025,413	4,615,084	622,640,497	70,063,960	531,181	70,595,141
6	Common						
7	Plant Held for Future Use	20,150,995		20,150,995	2,319,319		2,319,319
8	<b>Total Gross Plant in Service</b>	<u>20,296,513,028</u>	<u>123,129,991</u>	<u>20,419,643,019</u>	<u>2,300,998,598</u>	<u>8,165,694</u>	<u>2,309,164,292</u>
<b><u>Construction Work in Progress</u></b>							
9	Production		608,464,000			70,032,375	
10	Transmission		90,968,000			10,470,143	
11	Distribution		37,873,000			4,359,068	
12	General		(16,021,000)			(1,843,969)	
13	Common						
14	<b>Total Construction Work in Progress</b>	<u>-</u>	<u>721,284,000</u>	<u>721,284,000</u>	<u>-</u>	<u>83,017,617</u>	<u>83,017,617</u>

Duke Energy Progress  
Reserve for Depreciation - Electric  
Twelve Months Ended September 30, 2014

Line No.	Description (Col. 1)	Total Company			SC Retail		
		Per Books (Col. 2) \$	Adjustments (Col. 3) \$	As Adjusted (Col. 4) \$	Per Books (Col. 5) \$	Adjustments (Col. 6) \$	As Adjusted (Col. 7) \$
1	Intangible Plant	(214,163,669)		(214,163,669)	(24,428,320)		(24,428,320)
2	Production	(5,553,731,466)	(39,798,919)	(5,593,530,385)	(655,372,225)	(4,580,736)	(659,952,961)
3	Transmission	(741,530,593)	(888,628)	(742,419,221)	(84,581,791)	(102,278)	(84,684,070)
4	Distribution	(2,661,895,650)	31,661,852	(2,630,233,798)	(303,625,912)	4,683,494	(298,942,418)
5	General	(256,173,547)	(621,713)	(256,795,260)	(29,220,126)	(71,557)	(29,291,684)
6	Common			-			-
7	<b>Total Reserve for Depreciation</b>	<u>(9,427,494,925)</u>	<u>(9,647,408)</u>	<u>(9,437,142,333)</u>	<u>(1,097,228,376)</u>	<u>(71,077)</u>	<u>(1,097,299,453)</u>



Duke Energy Progress  
Other Rate Base Items - Electric  
Twelve Months Ended September 30, 2014

Line No.	Description (Col. 1)	Total Company			SC Retail		
		Per Books (Col. 2) \$	Adjustments (Col. 3) \$	As Adjusted (Col. 4) \$	Per Books (Col. 5) \$	Adjustments (Col. 6) \$	As Adjusted (Col. 7) \$
1	Unamortized Debt Expense	33,471,141		33,471,141	3,852,428		3,852,428
2	Design Basis	14,750,125		14,750,125	1,572,116		1,572,116
3	SFAS 158	277,864,594		277,864,594	31,290,285		31,290,285
4	GridSouth	3,676,168		3,676,168	3,676,168		3,676,168
5	Rate Case Costs	2,183,879		2,183,879	-		-
6	SFAS 109	136,398,546	(136,398,546)	-	15,699,062	(15,699,062)	-
7	PSNC Pipeline	627,562		627,562	66,888		66,888
8	SC Pollution Control Deferral	28,012,681		28,012,681	28,012,681		28,012,681
9	DSM	173,372,202	(173,372,202)	-	24,650,842	(24,650,842)	-
10	Coal Inventory Rider	125,026		125,026	-		-
11	Accum Provision for Pensions & Benefits	(284,365,905)		(284,365,905)	(31,998,609)		(31,998,609)
12	Accum Misc Operating Provisions	133,731,003		133,731,003	15,048,239		15,048,239
13	Unclaimed Refunds	-		-	-		-
14	Customer Advances For Construction	(7,445,988)		(7,445,988)	(979,257)		(979,257)
15	End of Life Reserves	(10,760,113)		(10,760,113)	-		-
16	Emission Allowances Proceeds	(9,302,463)		(9,302,463)	-		-
17	DOE Refund	(9,983,882)		(9,983,882)	-		-
18	REPS	(58,193,141)		(58,193,141)	-		-
19	Sale of Harris Land Deferral	(5,644,620)		(5,644,620)	-		-
20	NCDT Overfund - SC	(2,256,577)		(2,256,577)	(2,256,577)		(2,256,577)
21	SC Fukushima Deferral	1,878,240		1,878,240	1,878,240		1,878,240
22							
23							
24							
25							
26	<b>Total Deferred Debits/Credits</b>	<b>418,138,477</b>	<b>(309,770,748)</b>	<b>108,367,729</b>	<b>90,512,503</b>	<b>(40,349,904)</b>	<b>50,162,599</b>

Duke Energy Progress  
Total Working Capital - Electric  
Twelve Months Ended September 30, 2014

Line No.	Description	Total Company			SC Retail		
		Per Books (Col. 2) \$	Adjustments (Col. 3) \$	As Adjusted (Col. 4) \$	Per Books (Col. 5) \$	Adjustments (Col. 6) \$	As Adjusted (Col. 7) \$
1	Twelve Month O&M Expenses	3,442,172,137		3,442,172,137			-
	Less: Purchased Power/Sales to Other Utilities - Net	305,096,260		305,096,260			-
	Nuclear Fuel Expense	178,846,318		178,846,318			-
	Amortization of Property Losses	(153,615)		(153,615)			-
1a	Adjusted O&M	2,958,383,174	-	2,958,383,174	336,467,021	-	336,467,021
2	Working Cash (1/8 of O&M Expenses on Line 1)	369,797,897		369,797,897	42,058,378		42,058,378
3	Accrued Utility Revenue	101,009,998		101,009,998	14,452,039		14,452,039
4	Prepayments	49,640,670		49,640,670	5,612,893		5,612,893
5	Total Investor Advanced Funds	520,448,565	-	520,448,565	62,123,310	-	62,123,310
6	Less: Customer Deposits	(134,131,055)		(134,131,055)	(19,701,264)		(19,701,264)
7	Average Tax Accruals	(56,064,970)		(56,064,970)	(6,339,291)		(6,339,291)
8	Nuclear Refueling						
9	Injuries and Damages	(8,703,381)		(8,703,381)	(979,358)		(979,358)
10	<b>Total Working Capital</b>	<b>321,549,159</b>	<b>-</b>	<b>321,549,159</b>	<b>35,103,397</b>	<b>-</b>	<b>35,103,397</b>

Duke Energy Progress  
Materials & Supplies - Electric  
Twelve Months Ended September 30, 2014

Line No.	Description (Col. 1)	<b>Total Company</b>			<b>SC Retail</b>		
		<u>Per Books</u> (Col. 2) \$	<u>Adjustments</u> (Col. 3) \$	<u>As Adjusted</u> (Col. 4) \$	<u>Per Books</u> (Col. 5) \$	<u>Adjustments</u> (Col. 6) \$	<u>As Adjusted</u> (Col. 7) \$
	<b><u>Fuel Stock</u></b>						
1	Nuclear	310,856,565		310,856,565	34,602,679		34,602,679
2	Fossil	300,244,695	(34,448,034)	265,796,661	33,421,429	(3,834,547)	29,586,882
3	Total Fuel Stock	611,101,260	(34,448,034)	576,653,226	68,024,107	(3,834,547)	64,189,560
4	Emission Allowances	66,335,308		66,335,308	331,235		331,235
5	Other Electric Materials and Supplies	750,749,020		750,749,020	88,823,841		88,823,841
6	<b>Total Materials &amp; Supplies</b>	<u>1,428,185,588</u>	<u>(34,448,034)</u>	<u>1,393,737,554</u>	<u>157,179,184</u>	<u>(3,834,547)</u>	<u>153,344,636</u>

Duke Energy Progress  
Cost of Capital - Electric Operations  
Twelve Months Ended September 30, 2014

Total Company													
		Per Books				As Adjusted							
Line No.	Description	Amount (Col. 1)	Ratio (Col. 2)	Retail Rate Base (Col. 3)	Embedded Cost/ Return (Col. 4)	Weighted Cost/ Return (Col. 5)	Operating Income (Col. 6)	Amount (Col. 7)	Ratio (Col. 8)	Retail Rate Base (Col. 9)	Embedded Cost/ Return (Col. 10)	Weighted Cost/ Return (Col. 11)	Operating Income (Col. 12)
1	Long Term Debt 1/	\$ 5,556,727,903	47.76%	\$ 4,977,143,199	4.06%	1.94%	\$ 202,035,739	\$ 5,556,727,903	48.24%	\$ 5,385,514,459	4.06%	1.96%	\$ 218,612,635
2	Preferred Stock	-						-					
3	Common Equity	6,078,180,826	52.24%	5,444,206,895	9.02%	4.71%	491,220,475	5,961,858,719	51.76%	5,778,162,418	6.74%	3.49%	389,240,876
4	Total	11,634,908,729	100.00%	\$ 10,421,350,095			\$ 693,256,213	11,518,586,622	100.00%	\$ 11,163,676,878			\$ 607,853,512

SC Retail													
		Per Books				As Adjusted							
Line No.	Description	Amount (Col. 1)	Ratio (Col. 2)	Retail Rate Base (Col. 3)	Embedded Cost/ Return (Col. 4)	Weighted Cost/ Return (Col. 5)	Operating Income (Col. 6)	Amount (Col. 7)	Ratio (Col. 8)	Retail Rate Base (Col. 9)	Embedded Cost/ Return (Col. 10)	Weighted Cost/ Return (Col. 11)	Operating Income (Col. 12)
5	Long Term Debt	\$ 5,556,727,903	47.76%	\$ 556,969,481	4.06%	1.94%	\$ 22,608,902	\$ 5,556,727,903	48.24%	\$ 600,591,126	4.06%	1.96%	\$ 24,379,622
6	Preferred Stock	-						-					
7	Common Equity	6,078,180,826	52.24%	609,236,458	8.91%	4.66%	54,299,235	5,961,858,719	51.76%	644,379,121	6.20%	3.21%	39,951,820
8	Total	11,634,908,729	100.00%	\$ 1,166,205,939			2/ \$ 76,908,137	11,518,586,622	100.00%	\$ 1,244,970,247			2/ \$ 64,331,442

1/ - Long Term Debt includes:  
First Mortgage Bonds  
Unamortized Discounts on LTD  
less Unamortized Loss on Recquired Debt

2/ - Includes approximately \$4.4M net of tax of Cost to Achieve.